

13 April 1977

77-4606

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy to the DCI for National Intelligence

FROM :
National Intelligence Officer for Economics

SUBJECT : Your Friday Meeting with Treasury Secretary Blumenthal

1. Action Requested: Extend luncheon invitation.

2. The DDI is commenting separately on issues you might raise with Secretary Blumenthal at your Friday meeting. In addition, as I mentioned to you in our NIO meeting today, I would like to propose that you invite Secretary Blumenthal to a follow-on luncheon here at his convenience, for the purpose of an informal seminar-like discussion of his analytic interests and how we might best support them. We should include in that invitation Tony Solomon, Treasury Under Secretary for Monetary Affairs, and Ernest Preeg, Executive Director of the Economic Policy Group (EPG). Blumenthal chairs the EPG and these three are the key players in our relations with the economic policy machinery.

3. Maurice Ernst (Director/OER) and I had lunch with Preeg yesterday and have laid the groundwork for productive interactions between our economic analysis and their evolving policy interests. The following points emerged:

° With the gradual elimination of the old Council on International Economic Policy (CIEP), the EPG is looking toward far leaner White House integration machinery in the international economics sphere. They will seek to keep EPG membership and staffing to an absolute minimum and rely to the greatest extent on "deputies' committees" under "lead agency" leadership for specific policy development. The concept is to minimize permanent structures and keep things flexible.

° Preeg is most eager to keep us informed on their work plan and specific policy interests in order to bring us in on an ad hoc basis wherever we can make a contribution.

° He has invited us to bring new findings to his attention and especially to give him "early warning" on important developments.

...for our economic intelligence product, it would be particularly helpful to have Preeg included in any Blumenthal luncheon that might eventuate.



STAT

Distribution:

Orig - Addressee

- 1 - DDCI
- 1 - DDI
- 1 - D/OER
- 1 - NIO/E
- 1 - ER
- 1 - NIO/RI

*✓ CONCUR - Letter invitation to Blumenthal/Preeg
Schmitt*
DCI



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Treasury

4. Since the EPG is a key communications link for our economic intelligence product, it would be particularly helpful to have Preeg included in any Blumenthal luncheon that might eventuate.



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